

Message Text

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44

ACTION EB-11

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INRE-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

SAM-01 COME-00 INT-08 FEA-02 CIEP-02 OMB-01 TRSE-00

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FM AMEMBASSY VIENNA

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INFO USMISSION OECD PARIS

AMEMBASSY JIDDA

UNCLAS VIENNA 1188

E.O. 11652: N/A

TAGS: ENRG, OPEC, AU

SUBJECT: ENERGY: WASHINGTON ENERGY MEETING

CRITICIZED BY OPEC'S SECRETARY

GENERAL ABDERRAHMAN KHENE

STATE ALSO FOR T/IEP FOR KATZ; EB/FSE FOR BENNSKY

FOLLOWING ARE EXCERPTS OF STATEMENTS MADE BY OPEC SECRETARY GENERAL KHENE AT PRESS LUNCHEON IN VIENNA TODAY. LUNCHEON WAS ARRANGED BY LOCAL FOREIGN PRESS ASSOCIATION FOR MEMBERS ONLY AND FOR PUBLICATION OUTSIDE OF AUSTRIA ONLY. EMBASSY WILL TRY TO OBTAIN FULL TRANSCRIPT.

1. DR. ABDERRAHMAN KHENE SAID THAT A MEETING OF ANY GROUP OF WHAT HE CALLED POWERFUL AND INDUSTRIALIZED COUNTRIES WOULD INEVITABLY LEAD TO CONFRONTATION. HE POINTED OUT THAT OPEC HAS ALWAYS WELCOMED AN EXCHANGE OF VIEWS AND INFORMATION OF QUESTION OF OIL, UNCLASSIFIED

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BUT WHAT WE ARE NOW WITNESSING, HE SAID, IS A MEETING

CONVOKED BY THE U.S. AND LIMITED TO PARTICIPATION BY THE MAJOR INDUSTRIALIZED COUNTRIES. THOSE SAME COUNTRIES, HE ADDED, WHICH THEMSELVES PROVOKED THE PROBLEM AS A RESULT OF THE HUGE AMOUNTS OF OIL THEY ARE CONSUMING IN WASTEFUL USAGE. HE QUESTIONED THE MOTIVES OF THE USG IN CALLING FOR MEETING, SAYING THAT THE THREATS EXPRESSED AGAINST THE OIL PRODUCING COUNTRIES, ESPECIALLY THE ARAB COUNTRIES, ARE A CLEAR INDICATION OF THE GOALS OF THE USG TO IMPOSE ITS VIEWS NOT ONLY ON THE OIL PRODUCING COUNTRIES BUT ON OTHERS AS WELL.

2. DR. KHENE SAID WASHINGTON IS THE WRONG PLACE TO DISCUSS AN ISSUE INVOLVING THE FATE OF ALL NATIONS. IN MY OPINION, HE SAID, IT WOULD HAVE MADE MORE SENSE TO HAVE MET IN NEW YORK WHERE THE PARTICIPANTS COULD DISCUSS NOT ONLY OIL PRICES BUT WHAT ALL MANKIND SHOULD DO TO ACHIEVE A MORE EQUITABLE WORLD. DR. KEHNE POINTED OUT THAT THESE WERE HIS PERSONAL VIEWS BUT WERE MORE OR LESS RELATED TO OFFICIAL STANCE OF OTHER OPEC MEMBERS IN SPITE OF STATEMENTS TO THE CONTRARY BY OTHER OPEC LEADERS WHO HAD INDICATED THEY DO NOT REGARD THE MEETING AS A THREAT.

3. COMMENTING ON THE POSSIBILITY OF A DIALOGUE BETWEEN THE CONSUMING AND PRODUCING COUNTRIES, KR. KHENE SAID THAT IN HIS VIEW SUCH A MEETING IS OUT OF THE QUESTION. THE SUBJECT MUST BE DEALT WITH IN THE UN AND AT LEAST ASSURE THE PRESENCE OF THE SOVIET UNION, CHINA AND OTHER COUNTRIES THROUGHOUT THE WORLD. ON THE QUESTION OF OIL PRICES, DR. KHENE SAID PRICES SHOULD CONTINUE TO GO UP ESPECIALLY WHEN TAKING INTO CONSIDERATION THE NEED FOR CONSERVING OIL AND BRINGING OTHER SOURCES OF ENERGY INTO THE MARKET.

4. KHENE WAS ASKED ABOUT SAUDI ARABIA'S BID FOR REDUCING OIL PRICES. HE SAID IT IS THE RIGHT OF THE SAUDI ARABIANS TO THINK THEY CAN LOWER OIL PRICES BUT IT WILL BE EASIER IF OTHER OPEC COUNTRIES COULD CONVINCE SAUDI ARABIA NOT TO INSIST ON LOWERING THE PRICE OF OIL. THE PRICE OF OIL, HE SAID, SHOULD BE

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IN LINE WITH THE PRICE OF OTHER COMMODITIES; AND IF EVERYONE DECIDES TO REDUCE PRICES, HE SEES NO REASON WHY A SIMILAR REDUCTION COULD NOT APPLY TO OIL PRICES. HUMES

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